

DEPARTMENT OF ENERGY
FY 1998 CONGRESSIONAL BUDGET REQUEST
HUMAN RESOURCES AND ADMINISTRATION
DEPARTMENTAL ADMINISTRATION
(Tabular dollars in thousands, Narrative in whole dollars)

PROGRAM MISSION

PROGRAM OVERVIEW

This budget submission covers the Office of Human Resources and Administration, the Office of Quality Management, and the Secretary of Energy Advisory Board. These three offices support the program missions of the Department of Energy in two broad ways: (a) by providing strategies, tools, and advice in a wide range of disciplines to help the entire Department to be more effective in managing its changing missions and in meeting customers expectations (b) by supplying direct services that enable other offices, especially (but not limited to) Headquarters components, to perform their functions in a quality and cost-effective manner. Taken together, these roles seek to leverage resources representing less than one percent of the DOE budget into improvements and services on behalf of the entire Department.

These offices are responsible for much of the Department's agenda derived from the strategic alignment, quality management, contract reform, laboratory management, strategic energy research and development, downsizing, and reengineering initiatives as well as a host of activities in support of the National Performance Review. Disciplines as diverse as information management, telecommunications, contract administration, training, and personnel administration have been used over the FY 1995-96 period to guide and support such visible and significant changes as the following:

- Strategic Alignment: One fourth of the Strategic Alignment Implementation projects are championed from these offices.
- Self-assessments using the Presidential Award for Quality, the Malcolm Baldrige National Quality Award, or equivalent criteria were completed by 96% of Headquarters and 100% of Field organizations during 1995/1996, and 85% of Headquarters and Field organizations have implemented improvement plans.
- One fourth of the Department (including Federal and M&O contractor organizations) participated in the Energy Quality Awards process, designed to recognize operational performance excellence, improvement and customer service.

- Over 900 senior managers across the DOE complex completed the executive leadership forum, "Leaders for a Customer-Driven Organization," designed to accelerate the development of leadership skills necessary for completing the transformation of the Department into a high-performing customer-oriented organization.
- Every program now has customer service plans, and the Department has published Customer Service Standards.
- Communication: Expanded use of DOECAST and Home Page capabilities for communication to internal and external customers.
- DOE orders have been cut in half and DOE business management oversight is being reformed to focus on results, rather than process.
- The Laboratory Operations Board, whose external members comprise a subcommittee of the Secretary of Energy Advisory Board, is providing focused, regular attention to issues facing the Department's laboratory complex. Roles and responsibilities assigned to the Board include providing strategic direction for the Department's laboratories, monitoring the implementation of management improvement and cost-cutting initiatives, and enhancing coordination among the laboratories. The Board is placing special emphasis on reducing administrative overhead costs at the laboratories.
- The Openness Advisory Panel, reporting to the Secretary of Energy Advisory Board, is enhancing the credibility of the Department's classification, declassification and openness programs through rigorous, independent scrutiny of current policies and vigorous advocacy for improvements.
- The Task Force on Nonproliferation and Arms Control Implications of Fissile Material Disposition Alternatives, reporting to the Secretary of Energy Advisory Board, is addressing the technical and policy implications of the Department's Materials Disposition Programmatic Environmental Impact Statement used as the basis for a decision on the storage and disposition of nuclear weapons materials.
- The Department established a Chief Information Officer to integrate information management and information technology to directly support Departmental missions.
- The Department's Career Transition Handbook is a model for all Federal agencies.
- New Senior Executive Service standards now measure quality management behaviors and have been further changed to include "360 degree" performance feedback.
- The Freedom of Information Act backlog is being eliminated.

- The Working Capital Fund, established in FY 1997, is creating a new management framework for over half the administrative services provided to Headquarters organizations.

As direct service providers, these organizations have been setting an example for downsizing, streamlining, and reengineering. Since FY 1994 Human Resources and Administration, for example, has reduced staffing from over 1000 personnel to under 700 which is three times the staffing reduction rate of the rest of the Department. The number of buildings occupied in Headquarters is declining from 16 to 11 by the end of FY 1996, on a path to achieve occupancy of only 4 buildings over the longer term. The number of HR&A supervisory positions has decreased by more than half over 2 years. HR&A overtime costs in FY 1996 have decreased over 60 % from FY 1994 to FY 1996 and further reductions are planned for FY 1997. These are but a few of the many examples of significant cost reductions occurring within these organizations.

Notwithstanding the resource input reductions, a comprehensive survey in mid-FY 1996 of customers for 70 different Human Resources and Administration products and services revealed that the majority of customers are satisfied or very satisfied with the large majority of services, and that, in comparison to a year earlier, the majority of customers believe that HR&A organizations have maintained or improved their performance. Moreover, Human Resources and Administration received the Quality Champion award in 1996, in recognition of its management improvement initiatives.

As discussed in more detail below, the offices plan to build on the progress of FY 1995-96 in the coming years with further support for strategic alignment, contract reform, customer service, quality management, the ongoing openness initiative, and the National Performance Review.

The major shift in budget resources from FY 1996 to FY 1997 involved the creation of a Working Capital Fund to finance common administrative costs (for example, rent, building services, and supplies). Authorized by the Department of Energy Organization Act, and pursuant to congressional direction in the FY 1997 budget process, the Fund permits clear allocation of administrative costs to mission programs. It promotes efficiency by ensuring the program offices are cognizant of administrative costs, and provides a flexible framework for managing administrative operations in a business-like manner. A separate submission has been prepared on the Working Capital Fund, describing proposed changes.

Statements of Strategic Purpose

Office of Human Resources and Administration Strategic Goals

- To become a quality managed organization on all levels through improved communication, customer satisfaction, employee participation and development, effective partnerships, and process, with emphasis on results.
- To provide strategies and tools to support the Department's mission priorities; to align, right size, diversify, and develop human resources; and to create more business-like corporate management practices.
- To set an example for cost reduction within the Department and be the provider of choice for best-value products and services.

Quality Management Mission

The Office of Quality Management serves as the corporate-level catalyst for accelerating the transformation of the Department of Energy to a customer-centered, quality culture. The Office provides the corporate quality framework, expertise, training, and information processes in partnership with customers and stakeholders.

Secretary of Energy Advisory Board

The Secretary of Energy Advisory Board, comprised of distinguished members of the private sector, provides expert independent advice, information and recommendations to the Secretary. Issues addressed by the Board include the Department's management reforms, basic and applied research and development activities, and other issues related to the Department's energy, science and technology, environmental quality, and national security responsibilities.

PERFORMANCE MEASURES

HR has prepared crosscutting performance measures for the entire organization as well as specific service commitments for each of the individual administrative disciplines. The following are examples from the most recent strategic planning:

- Crosscutting
 - Customer service satisfaction as measured by survey and by benchmarking with other agencies;
 - Reduced cost, expressed in dollars, staffing, overtime, space, and other inputs;
 - Reduced cycle time.
- Information Management - One-third reduction in hardware installation time and further 10% reduction in printed output. Consolidation of 75 software contracts into 3 enterprise-wide contracts with annual savings of \$2 million. Increase and improve partnerships with customers and stakeholders in defining and accomplishing the information management priorities in the Department's strategic plan.
- Procurement - 50% reduction in procurement regulations and 40% reduction in procurement request processing time. Triple use of Purchase Cards.
- Human Resources - 50% increase in Department-wide participation in career mobility programs; 10% annual increase in Career Centers; 50% reduction in personnel actions requiring Headquarters review; 80% completion rate of assigned requirements for Technical Leadership Development Program.
- Management Practices - 66% reduction from FY 1995 level of Field directives; 10% cycle time reduction for Work-for-Others agreements; 20% reduction in facility energy consumption, 5 years ahead of the schedule called for in Executive Order 12759; a further decrease in paper copy use of 20%; 80% of first tier organizations using automated document control system; and 35% reduction in the number of supervisor positions in the Department since the beginning of FY 1995.
- Administrative Services - Provision of a clean, safe, and environmentally conscious workplace for all Headquarters employees; provide quality, cost-effective, and timely services to all Headquarters organizations.

The Office of Quality Management uses a wide variety of performance measures for continuous improvement, including: customer service satisfaction, employee feedback, cost decreases in the corporate quality infrastructure, and self-assessment scoring.

Implementation of Secretary of Energy Advisory Board recommendations will result in substantial savings:

- Reduced research and development management and administration costs - \$1.76 billion in savings will be realized over five years as a result of implementing recommendations of the Secretary of Energy Advisory Task Force on Alternative Futures for the Department of Energy National Laboratories.
- Laboratory administrative overhead costs - \$1.2 billion will be saved over five years as a result of implementing recommendations of the Secretary of Energy Advisory Task Force on Strategic Energy Research and Development.

DEPARTMENT OF ENERGY
FY 1998 CONGRESSIONAL BUDGET REQUEST
DEPARTMENTAL ADMINISTRATION
(Tabular dollars in thousands, Narrative dollars in whole dollars)

HUMAN RESOURCES AND ADMINISTRATION

I. Mission Supporting Goals/Ongoing Responsibilities:

Human Resources and Administration (HR) is responsible for personnel, training and development, information management, procurement, organization and management, the executive secretariat, and administrative services. Human Resources and Administration works in partnership with its customers to support the mission of the Department of Energy and enhance the effectiveness and well-being of its people. The Office of Quality Management provides the corporate quality framework, expertise, training, and information processes for the Department in partnership with customers and stakeholders. The Secretary of Energy Advisory Board provides expert guidance to the Secretary as requested on a broad range of Department of Energy topics.

Program Direction has been grouped into four categories:

Salary and Benefits provide for funding for full-time permanent and other than full-time permanent employees, in the following classes: salaries and wages, overtime pay, cash incentive awards, lump sum leave payments, Senior Executive Service and other performance awards, payments to funds for the benefit of employees, workers' compensation, and buyout compensation.

Travel funds finance staff travel, DOE advisory board activities, quality management field interface, travel associated with scheduling and logistics for Secretarial trips, and travel associated with permanent change of station. Also includes DOE shuttle bus service, rental of vehicles from the GSA motor pool, lease of DOE fleet, and charter of aircraft or buses.

Support Services finance technical support services and management support services.

Other related expenses finance the acquisition of goods and services that support this office's mission that are not considered support services, in addition to items purchased from the working capital fund, for example, rent, supplies, telephone service, etc.

II. Funding Table:

	FY 1996 Adjusted <u>Appropriation</u>	FY 1997 Revised <u>Appropriation</u>	FY 1998 Budget <u>Request</u>
Salary and benefits	\$57,740	\$49,411	\$46,971
Travel	1,750	1,750	1,750
Support Services	26,600	24,910	24,910
Other Related Expenses	<u>78,860</u>	<u>27,631</u>	<u>27,531</u>
Total, Program Direction	<u>164,950</u>	<u>103,702</u>	<u>101,162</u>
FTEs	806	700	635
EOY	782	635	635

III. Performance Summary:**FY 1996 Measurable Performance Activities:**

- The progress in implementing Strategic Alignment has yielded a reduction in overall Federal staffing of 1,836 from the FY 1995 base through September, 1996. This was 456 under our reduction target for FY 1996. Projected annualized savings on staffing are \$10 million ahead of target. Support services contract savings were \$94 million ahead of target, and travel savings are \$5 million ahead of target. The Department had also closed eight field offices and obtained legislative authority for the sale of the Naval Petroleum Reserves and the Alaska Power Administration.
- Implement more flexible performance management system for Senior Executive Service which measures achievement of strategic corporate goals and objectives as well as core competencies in areas such as leadership, customer service, reengineering of work processes efforts, quality advocacy, building of teams and development of employees. The system includes feedback from multiple sources, such as customers and stakeholders and development of team goals and awards.

FY 1996 Measurable Performance Activities (Cont.):

- The Laboratory Operations Board, established in FY 1995, issued three major reports during FY 1996: two *Reports of the External Members of the Department of Energy Laboratory Operations Board* and the *Strategic Laboratory Missions Plan*.

The first and second *Reports of the External Members of the Department of Energy Laboratory Operations Board* provided broad recommendations addressing improvements in productivity and reductions in cost at the Department's laboratories. The Department's implementation of these recommendations will be monitored by the Laboratory Operations Board.

The *Strategic Laboratory Missions Plan* will facilitate the Department's review of the management and research and development program outcomes of the Department's laboratories. The *Plan*, which was developed as part of the Department's effort to cut costs and enhance the performance of the laboratories, will be valuable also in ensuring efficient operation and utilization of the laboratories as an integrated system. Phase II of the *Plan* will provide a detailed roadmap to guide the Department's efforts to review and streamline its management of research and the effectiveness of its utilization of the laboratories and other research providers to accomplish the Department's research and development missions.

- Significant progress was made in the effort to establish interoperable electronic mail and file transfer capabilities throughout the Department and with other Government agencies, the science and education sector, and the public.
- Achieved \$66.2 million in savings in FY 1996 through institutionalization of the Department's Information Management activities.
- Secure Information Management and Exchange System (SIMEX) replaced the Department's Secure Automatic Communications Network and the Wideband Communications Network. SIMEX is resulting in cost-savings of more than \$500,000 per year and is providing users with significantly increased capabilities. SIMEX is the first civilian agency sponsored system to receive the certification of the Defense Information System Agency.
- Installed new Freedom of Information Act (FOIA) tracking system and related management improvements:
 - Eliminated 1996 request backlog, so the Department is processing current requests;
 - Reduced average age of pending cases by 33%;
 - Fully implemented centralized FOIA program at headquarters;
 - Published new FOIA regulations and new system-of-records compilation;
 - Automated Public Reading Room via Optical Imaging System.

FY 1996 Measurable Performance Activities (Cont.):

- Improvements in the DOECAS electronic mail distribution system will allow a single message to be sent to 95% of DOE employees and contractors who have access to computers, eliminating the need for paper copies and manual distribution systems. Those who do not have computer access will continue to receive a paper copy. For FY 1996, achieved DOECAS connectivity to 87,000 Federal and contractor employees.
- Led the National Performance Review Interagency Consortium Study on "Customer Driven Strategic Planning."
- Established Contractor Purchasing Council and a Contractor Property Management Council, with representatives of the entire contractor community and the Field managers, to facilitate complex-wide communications and projects.
- Created a partnership with the National Property Management Association to perform the first-ever property management benchmarking survey.
- Participated in the governmentwide team to rewrite Federal Acquisition Regulation 45, to refine property and inventory and disposition management. Within the Department, established teams to reengineer the property disposition process; establish controls for "high risk" property; improve information management systems; abolish the Department's property management regulations; and reengineer the property loan program.
- Performance Based Contracting : Improved the Department's Fee Policy by simplifying the fee computation process and shifting the emphasis to Performance Based Management Contracting, using more specific incentive fee elements. Established a policy for use of fees and incentives for educational and non-profit institutions. Developed a Performance Based Incentives training course and handbook to extend contracting improvements through the complex.
- Contract Administration: Developed rulemakings for Chapters VI and VII of HR Order 350.1, regarding contractor pension fund programs, insurance claims, and contractor risk management, and saved the Department an estimated \$5 million annually by empowering field offices to manage contractor insurance claims through a Headquarters-negotiated Third Party Administrator contract.
- Over 7,000 documents are available on Success-Through-Sharing, the Quality Management-sponsored, on-line, user-driven World Wide Web site for communicating best practices information throughout the Department; over 750 people have accessed this information source in such categories as process improvement, benchmarking, best management practices resulting in elimination of waste and redundancy.

FY 1996 Measurable Performance Activities (Cont.):

- The Training and Human Resource Development Program completed 24 Technical Personnel Qualification Standards and manages the Strategic Alignment Implementation Plan for corporate training, while continuing to maintain professional competency and training development programs, career transition programs and workshops, and learning systems delivery components to enhance leadership and managerial and employee capacities in procurement, project management, and cost control and analysis.
- Facilitated DOE internal Organizational Self-assessment process with 96% of Headquarters and 100% of Field operations participating; 85% of these organizations have implemented improvement plans.
- Revised Department of Energy Customer Service Standards published in the Vice President's 1995 Customer Service Report "Putting Customers First '95: Standards for Serving the American People."
- Implemented plan to streamline the Department by use of buyouts and early retirements, layering efforts, retraining staff to work in teams with an emphasis on efficiency and improved customer service, and the development of partnerships with labor organizations and customer groups. Developed and provided services to assist employees in career transition including employment related seminars and workshops, career counseling, and use of the Career Management Resource Center.
- Developed a Career Transition Handbook adopted by OPM as a model for all Federal Agencies.
- Implemented new performance appraisal system for managers and supervisors other than Senior Executive Service employees modeled on the Senior Executive Service system.
- Achieved a 66% reduction from the FY 1995 level in field directives.
- Issued a Secretarial Policy Statement formalizing the Department's expectations for its Directives System to ensure consistent and effective management in the development, communication, implementation and periodic review of Departmental Directives.
- Issued a Guidance Document on Performance Measurement.
- Organization change approval was delegated to Heads of Departmental Elements as a result of reengineering the organization change process.
- Developed a space management plan which will consolidate Headquarters personnel into four core locations from existing 16 locations to save \$18M from FY 1995 through FY 2000. We have exceeded the rent savings target of \$821,000 for FY 1996 by over \$819,000.

FY 1996 Measurable Performance Activities (Cont.):

- Implemented a Working Capital Fund for improving resource management and provide clear allocations of administrative costs to mission programs.
- Reengineered the information management business processes yielding both customer service improvements and approximately \$35M in savings over the next five years.
- Leveraged the Departmental information management resources to ensure cost savings and improved efficiencies in programmatic and administrative business processes. Consolidate information technology acquisitions and service centers resulting in approximate savings of \$100M over the next five years.
- Established a corporate approach to managing Departmental information which is integrated and coordinated across the Department resulting in savings of \$40M over the next five years. Develop an integrated information infrastructure.
- Communicated best practices throughout the Department which have resulted in cycle time reduction, elimination of waste, improved customer satisfaction, and cost savings and the avoidance of duplication (for example, electronic sharing of information, videos, and written communication).
- Developed and commenced implementation of a Training and Human Resources Development Program which will institute a corporate framework for development and use of managerial, technical, professional, and business practices competencies and learning materials through leadership centers coordinating classroom delivery, team and self-development workshops and consultation, and distance/advanced learning technologies resulting in increased customer satisfaction, behavioral change toward core values, and positive participant feedback.
- Eliminated Freedom of Information Act backlog of requests from prior to 1995 and implemented a pilot centralization program. Continue to revise the Department's Freedom of Information Privacy Acts regulations.
- Built increased in-house capabilities for training and facilitating, resulting in dramatic reduction of reliance on contractor support services.
- Initiated the Electric System Reliability Task Force, reporting to the Secretary of Energy Advisory Board, to advise on the critical institutional, technical, and policy issues that need to be addressed in order to maintain bulk electric system reliability in a competitive industry.

FY 1997 Measurable Performance Activities:

- Continue to facilitate implementation of Strategic Alignment Initiatives to align organizational culture and management of processes and systems. Support will be provided through high level consulting and facilitation to coordinate cross-cutting process improvement efforts (i.e. reengineering) throughout the Department and implementation of self-managed teams to achieve streamlining and delayering goals.
- Complete transition planning for outsourcing the Department's payroll system (PAY/PERS).
- Implement the space management plan which will consolidate Headquarters personnel into six locations by the end of FY 1997.
- Continue to reengineer the information management business processes yielding both customer service improvements and savings over the next five years.
- Continue the leverage of Departmental information management resources to ensure cost savings and improved efficiencies in programmatic and administrative business processes. Continue to consolidate information technology acquisitions and service centers resulting in savings over the next four years. Achieve \$46M in savings from these initiatives in FY 1997.
- Continue a corporate approach to managing Departmental information which is integrated and coordinated across the Department resulting in savings over the next four years. Implement an integrated information infrastructure.
- Implement Contract Reform procedures and streamline procurement process to permit right-sizing of the Procurement organization. Establish Departmental Cost Reduction Initiatives Program (CRIP) and issue guidance for local implementation in field offices.
- Performance Based Contracting: Develop training course on design of incentive fee performance expectations and metrics.
- Property Management: In the absence of formal property management regulation, provide informational guidance on asset management and property administration. Reengineer inventory management systems and establish objectives for a standardized property information system. Develop a strategic plan for personal property management activities in the Department.
- Contract Administration: Finalize rulemaking on HR Order 350.1 after response to public comments, and assist field offices to prepare oversight plans for pension fund management and casualty risk programs.
- Incorporate excellence incentives into new contract awards to obtain best possible performance from contractors.
- Expand the use of advanced training and development tools and methodologies to continue to maintain and improve the Department's workforce and learning resources toward changing mission priorities and management improvement goals.

FY 1997 Measurable Performance Activities (Cont.):

- Continue the implementation of the Training and Human Resources Development Program to institute a corporate framework for development and use of managerial, technical, professional, and business practices, competencies, and learning materials by coordinating classroom delivery, team and self-development workshops and consultation, and distance/advanced learning technologies.
- Improve the competence of employees serving in technical positions related to safety management at defense nuclear facilities by raising qualification requirements, using recruitment and relocation incentives, and retraining where appropriate.
- Develop corporate-wide mentoring program among program offices and corporate-level strategic alignment teams.
- Continue expansion of DOECAST capabilities to reach 88,000 Federal and contractor employees in FY 1997.
- Continue implementation of the recommendations of the Secretary of Energy Advisory Board Task Forces on Alternative Futures of the Department of Energy National Laboratories and Strategic Energy Research and Development.
- Continue implementation of the recommendations from the *Report of the External Members of the Department of Energy Laboratory Operations Board*.
- Begin implementation of Phase II of the Strategic Laboratory Missions Plan.
- Report to the Secretary of Energy Advisory Board on the recommendations of the Openness Advisory Panel concerning the current status and strategic direction of the Department's classification, declassification and openness initiatives.
- Issue recommendations to the Secretary of Energy Advisory Board on the Task Force on Nonproliferation and Arms Control Implications of Fissile Material Disposition Alternatives and the technical and policy implications of the Materials Disposition Programmatic Environmental Impact Statement.
- Implement centralized Freedom of Information Act program and eliminate any backlog of 1995 requests.
- Facilitate improvements in employee recognition and career development measured by increased scores in a variety of survey instruments.

FY 1997 Measurable Performance Activities (Cont.):

- Continue streamlining the Department using buyouts and early retirements, layering efforts, retraining staff to work in teams with an emphasis on efficiency and improving customer service, and developing partnerships with labor organizations and customer groups. Develop and provide services to assist employees in career transition including employment related seminars and workshops, career counseling, and use of the Career Management Resource Center.
- Streamline personnel systems to reduce administrative processing timeframes, provide improved customer service, and increase the use of automation.
- Achieve 100% attendance of target audience (SES and GS-15; intact teams) at "Leaders for a Customer-Driven Organization" training, by December 1996.
- Continue implementation of customer service plans at all levels so that DOE's overall customer satisfaction rating continuously improves over the 1994 baseline of 73%.
- Facilitate a 20% increase in the number of Department of Energy sites receiving Energy Quality Awards, National Performance Review Hammer Awards, State Quality Awards, and the President's Quality Awards over 1995/96 results.
- Expand use of performance measurement to improve Departmental operations using the Presidential Award for Quality criteria and facilitate implementation of action plans based on self-assessment scores, for progress toward "world-class" status.
- By December, 1996, 100% of organizational units will have showcased best practice process improvements through electronic sharing, formal publications, and other channels.

FY 1998 Measurable Performance Activities:

- Complete outsourcing of the Department's payroll system (PAY/PERS).
- Continue to facilitate implementation of Strategic Alignment Initiatives to align organizational culture and management of processes and systems. Support will be provided through high level consulting and facilitation to coordinate cross-cutting process improvement efforts (i.e. reengineering) throughout the Department and implementation of self-managed teams to achieve streamlining and layering goals.
- Implement the space management plan which will consolidate Headquarters employees into four locations by the end of FY 1998.

FY 1998 Measurable Performance Activities (Cont.):

- Continue a corporate approach to managing Departmental information which is integrated and coordinated across the Department resulting in savings over the next four years. Implement an integrated information infrastructure. Achieve \$64M in savings from these initiatives in FY 1998.
- Continue to deploy new technologies to enrich training experiences while still providing cost-effective training to improve the Department's workforce.
- Focus learning resources toward changing mission priorities and management improvement goals.
- Evaluate the effectiveness of the Training and Human Resources Development Program to institute a corporate framework for development and use of managerial, technical, professional, and business practices, competencies, and learning materials by coordinating classroom delivery, team and self-development workshops and consultation, and distance/advanced learning technologies.
- Continue expansion of DOECAST capabilities to reach 90,000 Federal and contractor employees in FY 1998.
- Continue to evaluate contractor and Field Office implementation of Performance Objectives for management of employee compensation and benefits.
- Continue to provide policy direction and support for Departmental Contract Reform initiatives by overseeing the new Contract Reform Rule and revised regulations to implement the Federal Acquisition Reform Act of 1995.
- Continue promotion of contractor cost controls and improvements in personal property management through deployment of DOE-wide performance criteria and measurement programs throughout the field complex.
- Continue to provide support to line program and field management through development and implementation of review and oversight plans for contractor pension fund management and casualty risk management programs.
- Continue to streamline operational procurement processes and systems through ongoing process reengineering and systems benchmarking.
- Integrate and implement quality based leadership concepts at all levels of the organization through the systematic cascading of the Leadership Forum.

FY 1998 Measurable Performance Activities (Cont.):

- Continue to manage quality management momentum through inter-department communications, activity-based costing, Baldrige/President's Award criteria, and customer feedback.
- Overall customer satisfaction rating shows continuous improvement over 1994 baseline.
- Increase in the number of Department of Energy sites receiving Energy Quality Awards, National Performance Review Hammer Awards, State Quality Awards, and the President's Quality Awards.
- Improve management practices in order to expand DOE employee capability for customer satisfaction.
- Overall employee satisfaction rating shows continuous improvement over DOE-wide Organizational 1994/95 baseline Assessment Survey.
- Combine the Department strategic plan and quality transformation plan into one comprehensive plan.
- Integrate the recommendations of the Secretary of Energy Advisory Board in the key strategic areas of:
 - Strategic direction of the laboratories,
 - Classification, declassification and openness,
 - Fissile Materials Disposition,
 - Basic and applied research activities, and
 - Electric system reliability.

IV. Explanation of Funding Changes FY 1997 Revised Appropriation to FY 1998:

- The decrease of \$2,440,000 in Personnel Compensation and Benefits reflects the cost of downsizing in FY 1997 (-\$1,979K), elimination of separation costs (-\$2,091K), and other (-\$148K); partially offset by the pay raise (+ \$1,778K).
- Travel requirements do not change.
- Support Services do not change.
- Other Related Expenses decreases by a net \$100,000 which represents a transfer of budget authority within the Departmental Administration Account to the Board of Contract Appeals to equitably allocate resources for Working Capital Fund requirements.

Support Services	FY 1996 (\$000)	FY1997 (\$000)	FY 1998 (\$000)	FY 1998/FY1997 Change (\$000)
Training/Curriculum Development	\$1,133	\$1,133	\$1,133	\$0
Information Management Support	\$19,837	\$18,147	\$18,147	\$0
Other Administrative Support	\$5,630	\$5,630	\$5,630	\$0
Total Obligational Authority	\$26,600	\$24,910	\$24,910	\$0

Other Related Expenses	FY 1996 (\$000)	FY1997 (\$000)	FY 1998 (\$000)	FY 1998/FY1997 Change (\$000)
Working Capital Fund	\$23,495	\$22,295	\$22,353	\$58
Capital Equipment	\$2,193	\$1,430	\$1,430	\$0
Other	\$4,186	\$3,906	\$3,748	-\$158
Total Obligational Authority	\$29,874	\$27,631	\$27,531	- \$100

V. Program Support:

	FY 1996 Adjusted <u>Appropriation</u>	FY 1997 Revised <u>Appropriation</u>	FY 1998 Budget <u>Request</u>
Scientific and Technical Training	\$1,000	\$500	\$800
Corporate Management Information	<u>0</u>	<u>0</u>	<u>8,000</u>
Total Program Support	\$1,000	\$500	\$8,800

Program Support includes funding for the Scientific and Technical Training Program and the Corporate Management Information Program. The Scientific and Technical Training Program provides DOE-wide technical curriculum development, training standards and guidelines, and advanced learning technologies, such as, automated course catalogues, video and computer training methods, and distance learning. Includes funding for coordination and assessment of the implementation of Defense Nuclear Facilities Safety Board training, education, and development recommendations.

The Corporate Management Information Program is an FY 1998 initiative supporting National Performance Review objectives and the requirements of this Department's Strategic Alignment Initiative by maximizing our investment in streamlined information and financial systems through the cooperative development of a automated, technology-based systems approach. Funding is provided for a Corporate Human Resources Information System to support activities such as position management, processing personnel actions, and applicant/employee tracking of awards and benefits through a user-friendly, automated information technology system. In addition, these funds will be used to update and replace a number of independent, antiquated financial systems with compatible, user-friendly business systems that will provide real-time management and financial data on a DOE complex-wide basis. Finally, these funds will support activities for a Department-wide information technology and system planning effort that is required under the Information Technology Management Reform Act.